

## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

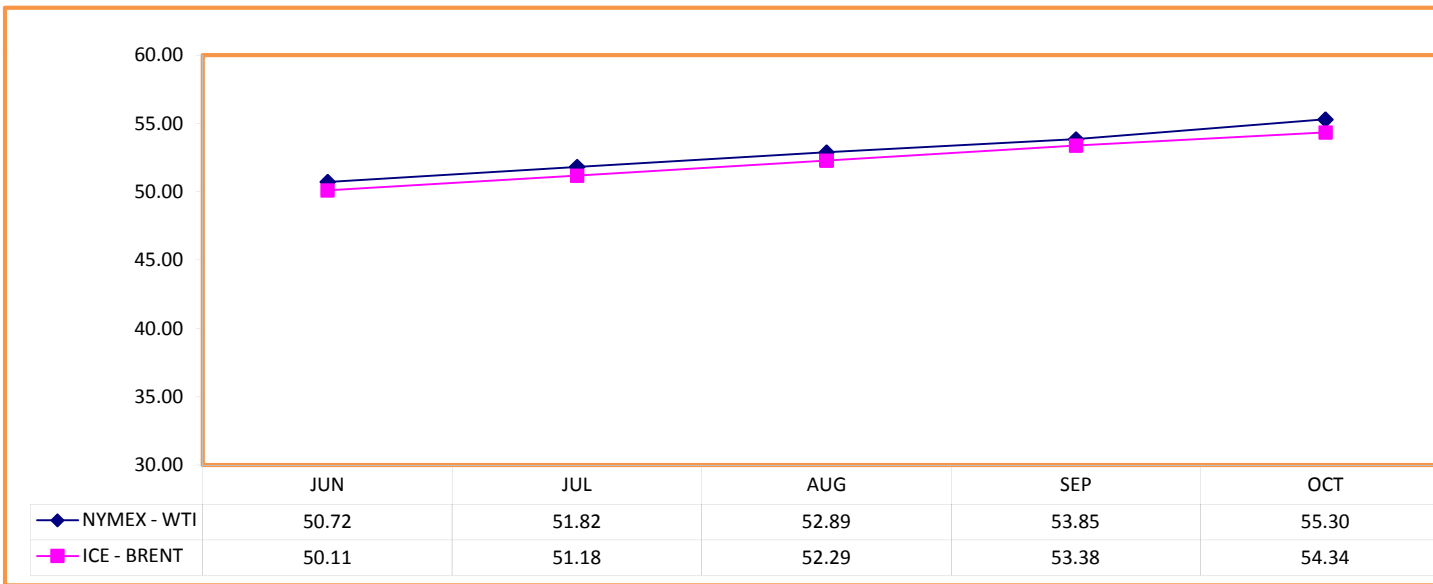
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	50.72	-0.4	51.09	50.43	50.95	10,664	359,757	WTI Crude
<b>HOA</b>	132.47	-1.21	133.68	132.37	133.68	1,334	78,907	Heating Oil
<b>RBA</b>	145.1	-1.48	146.2	144.6	145.32	313	69,469	Unleaded Gas
<b>NGA</b>	34.1	0.12	34.05	33.61	33.93	646	119,611	Natural Gas

All contracts quoted are electronic.

All contracts are coded for lead volume month. Meaning, whatever month has the most volume, that's the month quoted in the matrix above, for all contracts.

**Economic Release Estimates, from Bloomberg**

NYMEX - WTI						ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAM09	50.72	na	188,385	6,472	JUN	F.QOM09	50.11	0	118,439	13,337	JUN
F.CLAN09	51.82	na	66,401	3,177	JUL	F.QON09	51.18	0	62,438	9,801	JUL
F.CLAQ09	52.89	na	19,412	655	AUG	F.QOQ09	52.29	0	25,973	5,161	AUG
F.CLAU09	53.85	na	11,807	277	SEP	F.QOU09	53.38	0	11,095	54	SEP
F.CLAV09	55.30	na	5,779	272	OCT	F.QOV09	54.34	0	6,037	8	OCT
F.CLAX09	55.83	na	2,701	108	NOV	F.QOX09	54.99	0	4,767	6	NOV
F.CLAZ09	56.75	na	11,659	154	DEC	F.QOZ09	56.13	0	13,061	54	DEC
F.CLAF10	57.48	na	676	9	JAN	F.QOF10	57.29	0	1,019	2	JAN
F.CLAG10	58.93	na	614	2	FEB	F.QOG10	58.64	0	441	14	FEB



Contango IF: front months lower than back months.

IF Contango, then: It pays more to store crude. Carry cost is positive.

Also, It pays to keep crude stored, pump prices rise, and so do oil company profits

Backwardation: Opposite of Contango

"Never sell a backwardation market". Backwardation tends to coexist with rising prices

**Crack Spreads relative to Crude:**

If crack spread weak then less incentive to store crude.

That's bearish for crude.

IF Contango and price is rallying, then 'long only' funds are buying.

That's because it's the only thing that makes sense due to the fact, funds do not incur carrying charges.

Contango is bearish for price.